

**Fiscal Year 2006 Budget Request**

**for the**

**Department of Education**

Witnesses appearing before the  
House Subcommittee on Labor-HHS-Education Appropriations

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accompanied by

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**DEPARTMENT OF EDUCATION**

**Statement by**

**Margaret Spellings  
Secretary of Education**

**on**

**FISCAL YEAR 2006 BUDGET REQUEST**

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to testify on behalf of President Bush's 2006 discretionary request for the Department of Education. I believe we have a strong, focused budget proposal this year, one that reflects the need for both fiscal discipline and continuing support for State and local efforts to carry out No Child Left Behind. Moreover, our budget would significantly strengthen the impact of No Child Left Behind at the high school level, helping to ensure that every student not only graduates from high school, but graduates with the skills to succeed in either the workforce or in postsecondary education.

President Bush is requesting \$56.0 billion in discretionary appropriations for the Department of Education in fiscal year 2006, a decrease of \$529.6 million, or less than one percent, from the 2005 level. This request is consistent with the President's overall 2006 budget, and reflects his determination to cut the Federal budget deficit in half over the next five years. Even with the proposed reduction, discretionary appropriations for education would be up nearly \$14 billion, or 33 percent, since fiscal year 2001.

## **REDUCING THE DEFICIT AND IMPROVING RESULTS**

In his February 2<sup>nd</sup> State of the Union Address, the President underscored the need to restrain spending in order to sustain our economic prosperity. As part of this restraint, it is important that total discretionary and non-discretionary spending be held to levels proposed in his fiscal year 2006 budget request. The savings and reforms proposed in this request are critical to achieving the President's goal of cutting the budget deficit in half by 2009, and we urge the Congress to support this goal.

Overall, the President's 2006 discretionary request proposes more than 150 reductions, reforms, and terminations in non-defense programs. The Department of Education's budget proposal includes several major reductions and 48 terminations, 33 of which are small, narrow-purpose programs funded at less than \$40 million in 2005. On behalf of the Department, I want the Members of this Subcommittee to know that we are determined to work with the Congress to achieve these savings.

Let me add that our proposed reductions and terminations reflect the longstanding practice of this administration to streamline government, end unnecessary duplication, and redirect scarce taxpayer dollars only to those programs that work. Many of our proposed eliminations were requested by previous administrations as well, on the grounds that they were a low priority and lacked results. In other words, the reductions proposed in our 2006 request reflect not only the obvious need for fiscal discipline, but also our determination to spend taxpayer dollars as effectively as possible. As President Bush has said, "A taxpayer dollar ought to be spent wisely, or not spent at all."

## **HIGH SCHOOL REFORM**

As most of you know, our request for elementary and secondary education focuses on strengthening the impact of No Child Left Behind in our high schools through the \$1.5 billion High School Initiative. Our key proposal in this area is \$1.24 billion for High School Intervention, which would support a wide range of locally determined reforms aimed at ensuring that every student not only graduates from high school, but graduates with the skills to succeed in either college or the workforce. We also are asking for \$250 million for High School Assessments to increase accountability for high school achievement and give principals and teachers new tools and data to guide instruction and meet the specific needs of each student.

Together, these two components of the President's High School Initiative would give States and school district administrators more effective tools for improving high schools than they have under the existing array of uncoordinated, narrow-purpose programs that this initiative would replace.

The need to direct more attention to our high schools is beyond question. Currently just 68 out of every 100 ninth-graders will graduate from high school on time. Moreover, a recent study by the Manhattan Institute showed that two-thirds of students leave high school without the skills to succeed in college. As a result, only 27 of those original 100 ninth-graders make it to their sophomore year of college, and just 18 graduate from college. These figures are even more troubling when you consider that 80 percent of the fastest-growing jobs require at least some postsecondary education.

In addition to High School Intervention and Assessments, we are seeking a \$175 million expansion of the new Striving Readers program, which supports the development and implementation of research-based methods for improving the skills of teenage students who are reading below grade level. Similarly, a new, \$120 million Secondary Education Mathematics Initiative would help raise mathematics achievement, especially for at-risk students, in our high schools. We also want to help strengthen high school curricula by providing a \$22 million increase for the Advanced Placement program, as well as a total increase of \$45 million for the State Scholars programs to encourage more students to complete a rigorous high school curriculum.

And as you consider our High School Initiative, I hope you will keep in mind the startling costs of the alternative: American companies and universities currently spend as much as \$16 billion annually on remedial education to teach employees and students the basic skills they should have mastered in high school.

### **CONTINUING PRIORITIES**

The 2006 budget continues to place a strong priority on our three largest programs, which together form the foundation of the Department's efforts to help ensure that students at all levels have the opportunity to obtain a high-quality education. We are asking for a \$603 million increase for the Title I Grants to Local Educational Agencies program, which is the engine driving the President's *No Child Left Behind* reforms. If enacted, this request would result in a \$4.6 billion or 52 percent increase for Title I since the passage of the NCLB Act.

The budget also provides a \$508 million increase for the reauthorized Special Education Grants to States program, for a total increase of \$4.8 billion, or 75 percent, over the past five years.

The third major continuing priority for 2006 is the Pell Grant program. Our budget includes a comprehensive package of proposals to restore Pell Grants to sound financial footing and significantly increase the purchasing power of the Pell Grant. These proposals would provide a combination of discretionary and mandatory funding that would retire the \$4.3 billion Pell Grant shortfall, while raising the Pell Grant maximum award from \$4,050 to \$4,550 over the next five years. In 2006 alone, the request would provide a \$1.3 billion increase for Pell Grants, for a total of \$13.7 billion, to raise the maximum award to \$4,150 and provide grants to an estimated 5.5 million low-income postsecondary students.

### **NO CHILD LEFT BEHIND**

Title I remains our key priority for successfully implementing No Child Left Behind, but our 2006 request includes a major new proposal to help meet the law's requirement that every classroom be led by a highly qualified teacher. The new Teacher Incentive Fund would provide \$500 million to help stimulate closer alignment of teacher compensation systems with better teaching, higher student achievement, and stronger teaching in high-poverty schools.

Data on teacher qualifications show that high-poverty schools continue to have greater difficulty than low-poverty schools in attracting and retaining highly qualified teachers. For

example, a recent study of California schools by The Education Trust-West showed that high-poverty schools tend to have teachers with fewer years of experience who, by definition under current, seniority-based compensation systems, are paid lower salaries than more veteran teachers.

The Teacher Incentive Fund would give States \$450 million in formula grants to reward and retain effective teachers and offer incentives for highly qualified teachers to teach in high-poverty schools. A separate, \$50 million competitive grant program would encourage the development and implementation of performance-based compensation systems to serve as models for districts seeking to more closely link teacher compensation to student achievement.

In addition to Title I and the Teacher Incentive Fund, our 2006 request maintains strong support for No Child Left Behind programs, including almost \$3 billion for Improving Teacher Quality State Grants, \$1.1 billion for Reading First and Early Reading First, and \$412 million for State Assessment Grants.

### **EXPANDING OPTIONS FOR STUDENT AND PARENTS**

Finally, our request includes funding to continue the expansion of educational options for students and families. No Child Left Behind is helping to ensure that students in low-performing schools have the opportunity to transfer to a better school, or to obtain tutoring or other supplemental educational services from the provider of their choice. And Federal dollars are now financing opportunity scholarships that permit low-income students here in the District of Columbia to attend better-performing private schools.

The 2006 budget would build on these new options by providing \$50 million for a new Choice Incentive Fund that would support State and local efforts to give parents the opportunity to transfer their children to a higher-performing public, private, or charter school. The request also maintains significant support for the charter school movement, with \$219 million for Charter Schools grants and \$37 million for the Credit Enhancement for Charter School Facilities program.

### **CONCLUSION**

In conclusion, I want to emphasize that we have a strong budget for education, one that makes hard but necessary decisions to put significant resources where they can do the most to help improve the quality of our education system at all levels. Under our request, President Bush would increase discretionary spending for the Department by \$14 billion, or 33 percent, since taking office in 2001. Key programs would do even better: Title I would be up \$4.6 billion, or 52 percent; Special Education Grants to States would rise \$4.8 billion, 75 percent; and Pell Grants would be up \$4.5 billion, or 51 percent. And by the way, all of these increases have come at a time of historically low inflation.

At the same, let me say that I appreciate and respect the priorities you make and promises you keep as the people's representatives. What I have just outlined are the President's education priorities. We will not agree on everything. It will not always be easy to find common budgetary ground in a nation on a wartime footing and in a tight fiscal climate. The President has made tough choices. We know you will too. But I am here to listen to your priorities, and I am committed to working with you to make the very best choices for America.



Thank you, and I will be happy to take any questions you may have.

Margaret Spellings  
**U.S. Secretary of Education**

Biography

On January 20, 2005, the United States Senate confirmed Margaret Spellings as the 8th U.S. Secretary of Education.

During President George W. Bush's first term, Spellings served as Assistant to the President for Domestic Policy where she helped craft education policies, including the No Child Left Behind Act. She was also responsible for the development and implementation of White House policy on health, labor, transportation, justice, housing, and other elements of President Bush's domestic agenda.

Prior to her White House appointment, Spellings worked for 6 years as Governor George W. Bush's Senior Advisor with responsibility for developing and implementing the Governor's education policy. Her work included the Texas Reading Initiative, the Student Success Initiative to eliminate social promotion, and the nation's strongest school assessment and accountability system. She also made recommendations to the Governor for key gubernatorial appointments. Previously, Spellings served as associate executive director of the Texas Association of School Boards.

Born in Michigan in 1957, Spellings moved with her family at a young age to Houston, Texas, where she attended public schools. She graduated from the University of Houston in 1979 with a bachelor's degree in political science and journalism.

As the mother of two school-age daughters, Spellings has a special understanding of the issues facing parents and students today. Her daughter Mary, age 17, attends a parochial high school, and her daughter Grace, age 12, attends a public middle school. Spellings is the first mother of school children to serve as U.S. Secretary of Education.